

**Operational
Excellence
for a Better
Future**

**Analyst Day
June 2021**



TIME TECHNOPLAST LTD.
Bringing Polymers To Life

BSE: 532856 | NSE: TIMETECHNO | ISIN: INE508G01029 | CIN: L27203DD1989PLC003240

Who We Are

LEADING THROUGH INNOVATION AND TECHNOLOGY

Leading Global Industrial packaging company

First to launch Type-IV Composite Cylinder for LPG and CNG (CNG cascade and on-board application) in India. **2nd Largest** Composite Cylinder manufacturer worldwide.

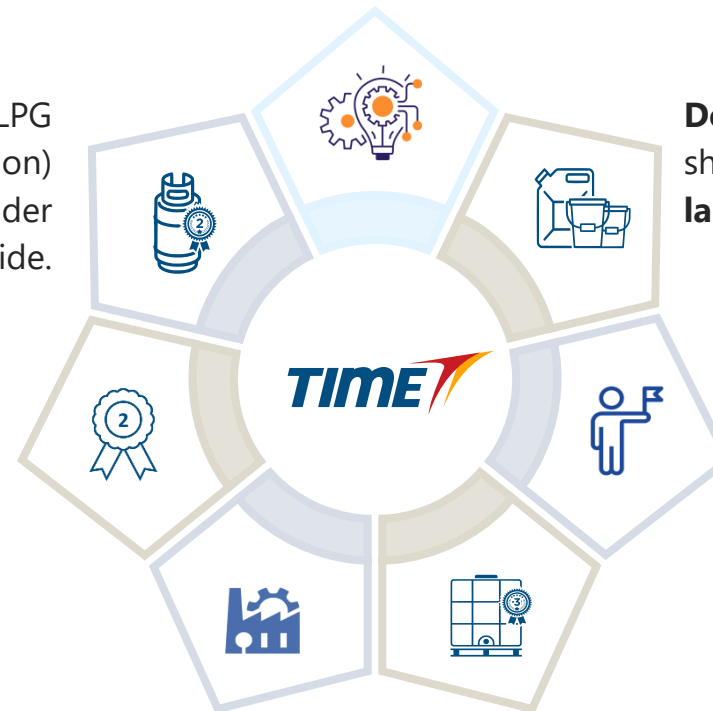
2nd largest MOX film manufacturer in India

Major Player in manufacturing of HDPE pipes in India

First to launch Intermediate Bulk Container (IBC) in India and **3rd Largest** IBC manufacturer worldwide.

Dominant market position with over 60% market share in domestic Industrial packaging. **World's largest manufacturer** of large size plastic drums

Market leader in 9 out of 11 countries it operates in



Agenda

01 Company Overview



02 Company Updates & Strategic Outlook



03 Financial Overview



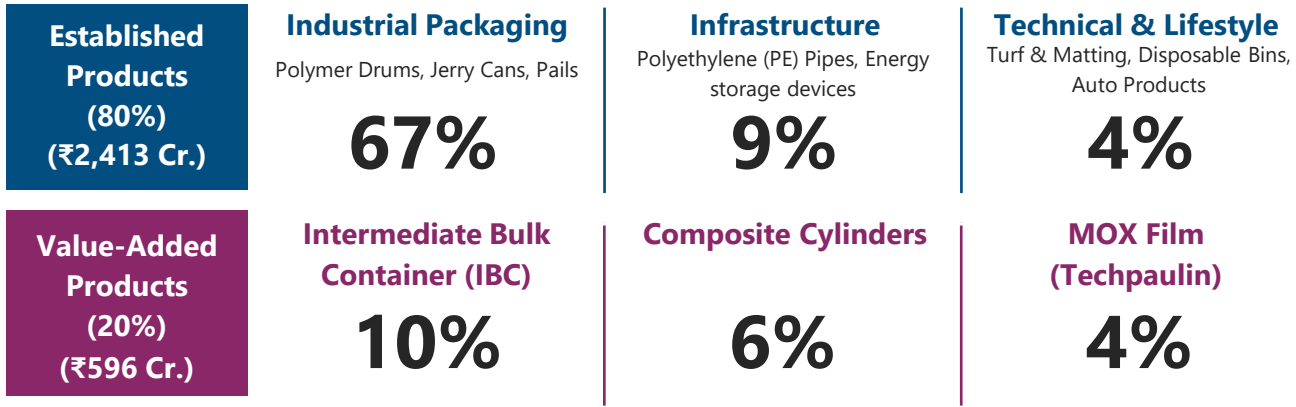
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01

Company Overview

Time Techno At A Glance

Business Mix (FY21 total revenue : ₹3,009 Cr.)



Geographic Revenue Breakup (FY21)



Includes all Products

69%

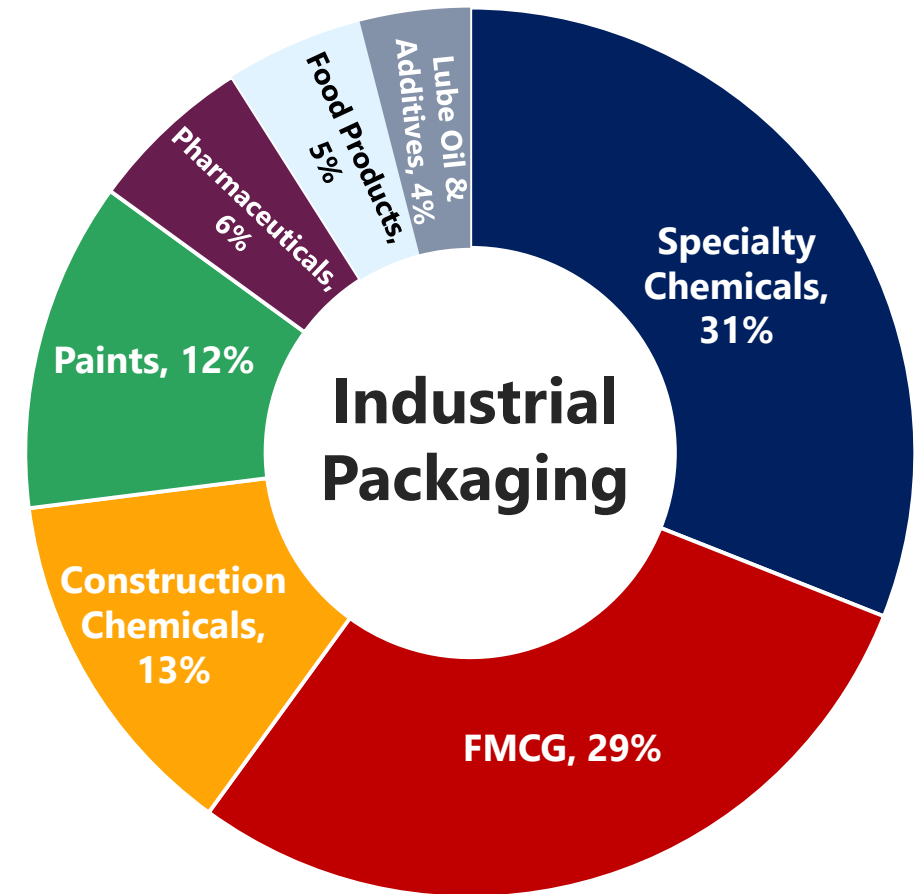


Packaging Products


31%

- Strong presence in Asia & MENA regions with presence in 10 different countries outside India
- 14+ recognized brands with over 900 institutional customers globally
- Well established in-house R&D team of around 30 people having experience of more than 15 years

Industrial Packaging Sales by User Industry



Global Marquee Customers

Management Team : The Minds Behind

Mr. Anil Jain

Managing Director

- Degrees in Science, Engineering from Punjab University and Business Management from Delhi University with over 40 years in the field of Polymer Technology and Products

Mr. Bharat Vageria

Whole Time Director, Finance

- Degree in Commerce and a Fellow of Institute of Chartered Accountants (FCA) with over 35 years of experience in the Polymer Industry

Mr. Raghupathy Thyagarajan

Whole Time Director, Marketing

- Degree in Science and Masters in Business Administration from Mumbai University with over 30 years of industrial experience in Polymer Products

Mr. Naveen Jain

Whole Time Director, Technical

- Degree in Engineering from IIT Delhi with over 30 years experience in Production, Quality Management and Projects Management



3,850

Total Number of Employees

442

No. of foreign nationals

455

No. Professionals Engineers, CAs, MBAs

30

Research & Development (R&D)

32.5

Median Age (in Years)

Geographical Presence

Manufacturing Presence in **11 Countries** to meet local demand | **20 Manufacturing** locations in India



WE are where **OUR CUSTOMERS** are....

Focus on high growth manufacturing geographies

Innovative and Tech Oriented Products

Innovative Polymer Products

Industrial Packaging

Drums & Containers



Jerry Cans



Conipack Pails



HDPE Pipes



Infrastructure

DWC Pipes



Energy Storage Devices



Auto Components and Lifestyle

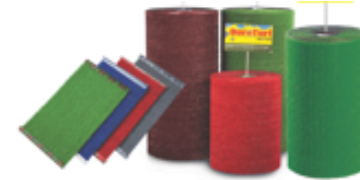
Rain Flaps



Fuel Tanks



Mats



Value Added Products



Composite IBCs



Composite Cylinders



MOX Films



Hi-Tech Products

DEF (Urea) Tanks



CNG Cascade



CNG (On Board Application)



Composite Air Tanks



Oxygen Cylinder



and more...

Focus on Innovative & Tech oriented polymer products and have several firsts to our credit-

- **1st** to launch PE drums to replace steel
- **1st** to launch Tubular Gel Batteries
- **1st** to launch Anti-Spray Rain Flaps
- **1st** Plastic Fuel tanks in CVs
- **1st** to launch IBC
- **1st** to launch Composite Gas cylinders

Time to **Change**



**We are at inflection point
Shifting from Tech based products to High-Tech products with
focus on Composites**

- Composite is a material of future replacing metals in high performance applications
- Tectonic shift
- Harnessing new growth opportunities in existing business
 - Launching new products with huge business potential
 - Aspire to be largest Composite product company in the country
 - New product launches will help improve margins and reduce working capital
 - We draw strength from the launch of LPG Composite Cylinders and maintaining market leadership in 10 years



Type-IV LPG Composite Cylinders

Second Largest Manufacturer Globally

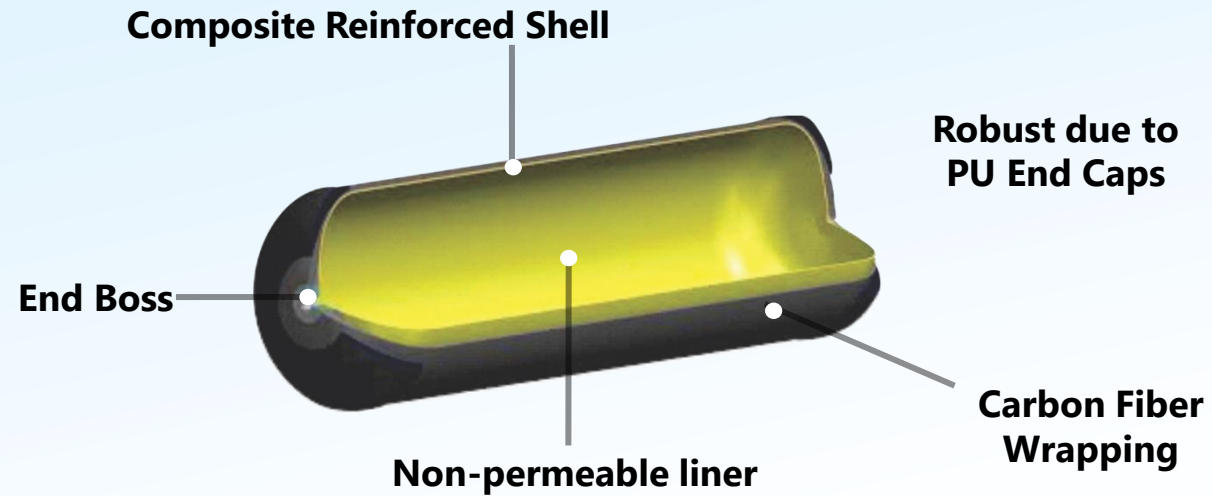
- European Aerospace Technology
- 1.4 million cylinders per annum – Manufacturing
- Innovative options
 - Domestic/Commercial, PU, Boat and Forklift composite cylinders
- Over 10 years of experience, exported to over 42 countries & still growing

Explosion Proof | Light Weight | Long Shelf Life | No Corrosion | Translucent



Largest Range of LPG cylinders 2kg -22kg

New Development : **Type-IV CNG Composite Cylinders**



**Increases Gas
Carrying Capacity**



**70% Lighter
In Weight**



**Increases
Fuel Efficiency**



**Maintenance
Free**



**Metal free / Corrosion
free In liner**



**Higher
Service Life**



Explosion Proof

New CNG Business in consonance with Govt.'s policy to expand use of CNG

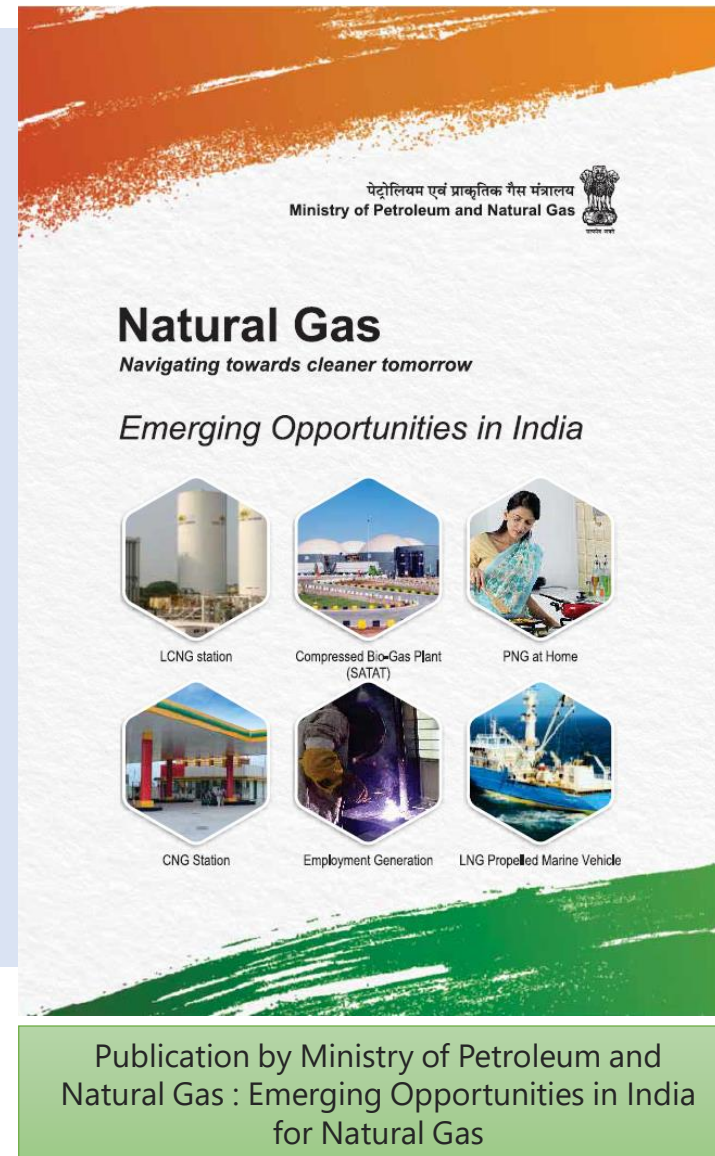
CNG Composite Cylinder Applications

- CNG Gas Distribution

- Cascades
- Mobile Refueling Units
- Compressed Bio-Gas Plant
- Gas Generators for Telecom Towers

- On – Board Applications

- Roof Mounted Bus
- Chassis Mounted Truck
- CAB Mounted Truck
- Boat
- Car
- 3 Wheelers / 2 Wheelers



New Development : CNG Cylinder - Cascade Application



Type IV CNG Cylinder Cascades
Lighter – Carries 220% More Gas



Type IV CNG Cylinder – Metal Free

Why Move Steel ?
Move Gas Instead.

70% Lighter
Than Type I Cylinders

2.2 Times More Gas
Per Trip

Reduce
Per kg CNG transportation
cost by almost 50%

No Dry Outs

- Approved by **PESO** and Third party (Bureau Veritas – Europe) in August 2020 for Type-IV cylinder for the **first time in India**.
- Current order book position of Rs. 53 Cr. to be executed during FY2022.

New Development : CNG Cylinder - Cascade Application

Carries **DOUBLE** the quantity of gas



Cuts operations cost by **HALF**



New Development : CNG Cylinder - Mobile Refueling Units (MRUs)

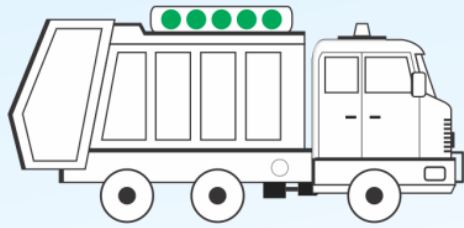
India's First Mobile Refueling CNG Unit with Type-IV Composite Cylinders

Virtual inauguration on June 8, 2021 by Mr. Dharmendra Pradhan-
Union Minister for Petroleum and Natural Gas

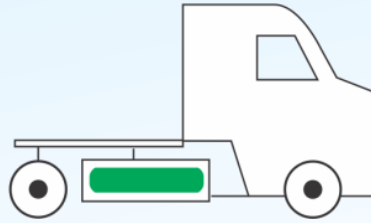


- MRUs act as Mobile CNG Stations
- Can be parked anywhere for filling
- Fills up to 300-400 vehicles per day

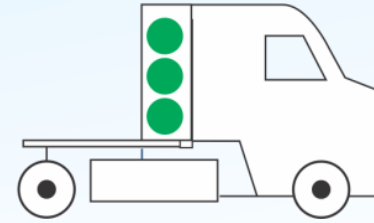
New Development : CNG Cylinder - Onboard Applications



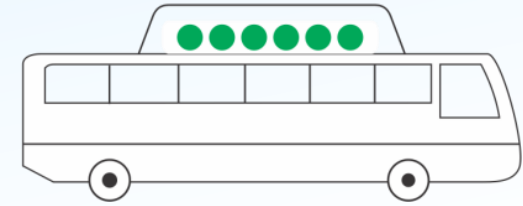
Dump Truck



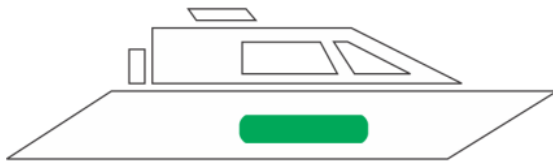
Chassis Mounted Truck



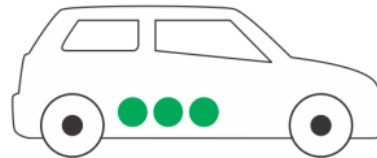
CAB Mounted Truck



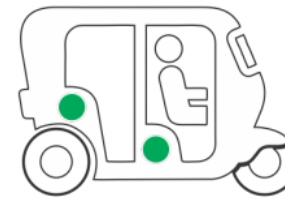
Roof Mounted Bus



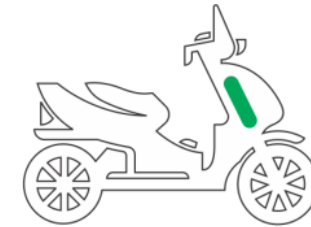
Boat



Car



3 Wheeler



2 Wheeler

Approved by PESO and Third party (Bureau Veritas – Europe) in May 2021 for Type-IV cylinder for the first time in India.

Market Potential : CNG Cascades

New CNG stations allotted in 9 th and 10 th round	8,181
Number of Cascades required per station	2
Total number of cascades required	16,362
Estimated cost of one cascade (Rs. per cascade)	70,00,000
Total Value of Business in next 8 years (Rs. Cr.)	11,453



9th & 10th CGD Bidding Round – A Great Success

Particulars	9 th Round	10 th Round	Total
Geographical Areas offered	86	50	136
Bids received	406 Bids from 38 Entities	225 Bids from 25 Entities	631 Bids from 41 Entities
Coverage			
State/Union Territories	22	14	23
(a) Districts	174 Districts (156 full & 18 part)	124 Districts (112 full & 12 part)	298 Districts (268 full & 30 part)
(b) Area (%)	23.82	17.92	41.74
(c) Population (%)	26.38	24.23	50.61
Minimum Work Program			
PNG Domestic Connections	221 Lakh	202 Lakh	423 Lakh
CNG Stations	4,603	3,578	8,181
Steel Pipeline (Inch-KM)	1.16 Lakh	0.58 Lakh	1.74 Lakh

Source: Petroleum and Natural Gas Regulatory Board

Market Potential : Mobile Refueling Units (MRUs)

Total existing and committed new CNG stations in India by 2024	7,300
Conversion to MRUs (~30%)	2,200
Estimated cost of one cascade (Rs. per cascade)	60,00,000
Total Value of Business in next 4 years (Rs. Cr.)	1,320



Key Benefits of Mobile Refueling Units

- It is an efficient solution for market seeding since it is cheaper and faster to deploy
- Reduction in Service cost (O&M expense) of CNG stations
- It is an effective solution for Transporters, Taxi aggregators, School vans etc.
- Help in congestion management at existing CNG stations
- Help in increasing geographical reach to areas with Ltd. pipeline connectivity (hilly terrains etc.)



~7,300

Total existing and Committed new CNG stations in India by 2024*

~2,200*

Estimated MRUs in India



*Assuming 30 percent conversion of CNG stations

Source: Ministry of Petroleum and Natural Gas- Emerging Opportunities in India

Market Potential : Compressed Bio-Gas (CBG)

Total CBG plants by 2023	5,000
Number of Cascades required per plant	2
Total number of cascades	10,000
Estimated cost of one cascade (Rs. per cascade)	60,00,000
Total Value of Business in next 3 years (Rs. Cr.)	6,000



❖ Under the SATAT scheme, total 5,000 CBG plants have been envisaged by 2023, which will produce around 15 MMT of CBG per annum.

Potential in the Country

- It has been estimated that there are six major sources from which CBG can be synthesized in India – Recoverable Cattle Dung, Bagasse, Agri residue, Sewage Treatment Plant, Municipal Solid Waste and Spent Wash/Press Mud.

• The total CBG potential in India has

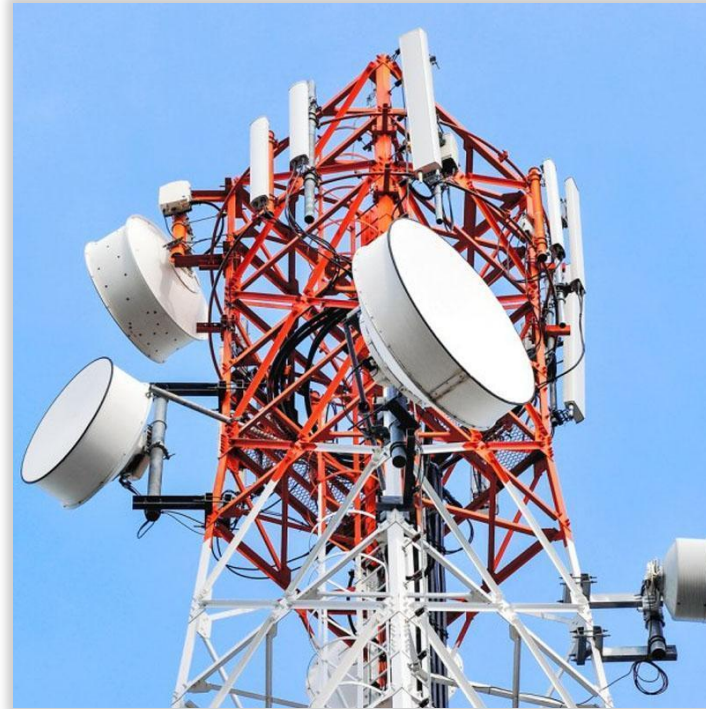
Benefit to the Country

- As per international carbon accounting standards, CBG has 'zero' associated Carbon emissions.
- Reduction in emissions due to crop burning.
- Reduction in landfill emissions due to municipal and sewage waste.

Source: Ministry of Petroleum and Natural Gas- Emerging Opportunities in India

Market Potential : Gas Generators for Telecom Towers

Towers- 20% of existing Telecom Towers use gas generators(~1.8 lakhs towers)	32,000
MRUs required (1 MRU for every 4 towers)	8,000
Estimated cost of one cascade (Rs. per cascade)	60,00,000
Total Value of Business in next 4 years (Rs. Cr.)	4,800



Opportunity in India

- Addressable market for conversion to gas generators is estimated to be ~1.8 lakh towers.
- The market is expected to grow at a CAGR of 3 percent over the next 4-5 years.
- Assuming 20 percent of existing and upcoming telecom towers use gas generator as back-up fuel, the total realizable potential is estimated to be around 32,070 towers.

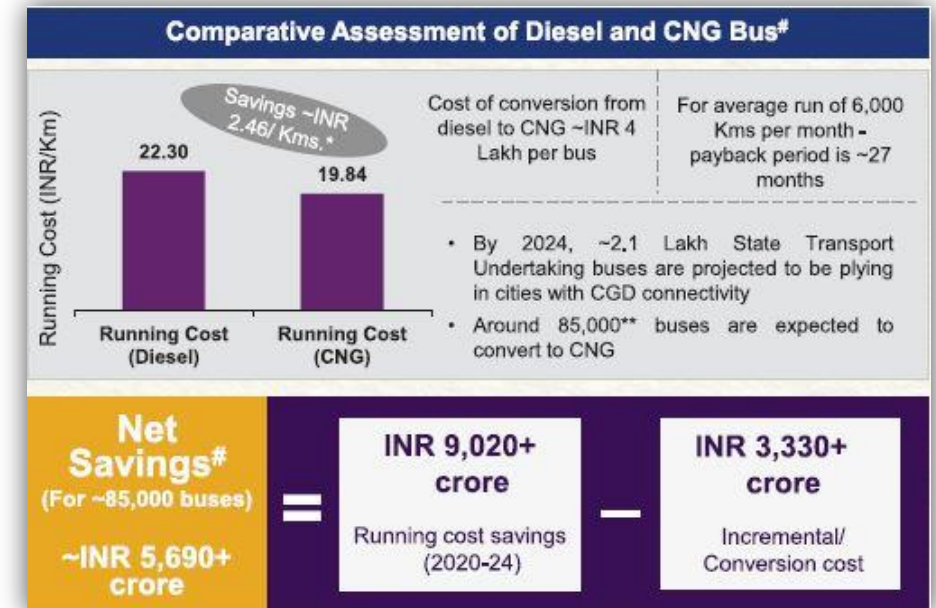
Cost Benefit Analysis

- The cost of retrofitting a 25KVA DG set is ~INR 3 lakhs, while the cost of a new 25KVA Gas based generator set is ~INR 5 lakhs*.
- The cost of retrofitting a 125KVA DG set is ~INR 6 lakhs, while the cost of a new 125KVA Gas based generator set is ~INR 13 lakhs*.
- For an average outage of 4 hours per day, annual consumption of 5,760 litre of diesel may be replaced by Natural Gas.
- Total annual diesel savings for 32,070 towers is estimated to be 184.7 million litre (0.18 percent of India's diesel consumption).

Source: Ministry of Petroleum and Natural Gas- Emerging Opportunities in India

Market Potential : Onboard Applications - Intercity Bus

No. of buses on road by 2024	2,10,000
Buses converted to CNG (~40% conversion)	85,000
No. of cylinders per Bus	8
Total No. of Cylinders required	6,80,000
Estimated Cost of 156 litre cylinder (Rs. per cylinder)	78,000
Total Estimated value of Business in next 4 years (Rs. Cr.)	5,304

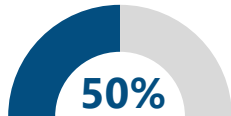
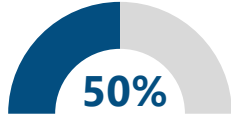






Source: Ministry of Petroleum and Natural Gas- Emerging Opportunities in India

Focus on Buses; to be followed by commercial vehicles (new & conversion) and passenger vehicles.

CNG Cylinder : Overall Market Potential

Huge revenue potential given India's low penetration of CNG fuel stations and CNG vehicles

	Total Estimated Business (Rs. Cr.)	Business in No. of Years	Estimated Market Per Year (Rs. Cr.)	Conversion %	Total Estimated Business (Type-IV) per year (Rs. Cr.)
CNG Cascades	11,453	8	1,432	 50%	716
MRUs	1,320	4	330	 50%	165
Compressed Bio Gas	6,000	3	2,000	 20%	400
Gas Generators for Telecom Towers	4,800	4	1,200	 20%	240
CNG for Intracity Buses	5,304	4	1,326	 50%	663
Total Estimated value of Business	28,877		6,288		~2,200

*Focus on buses; Commercial vehicles and passenger cars, estimated to have equal or more potential
Business from commercial vehicles and passenger cars not factored*

Next Exciting Emerging Opportunities in Composites

Oxygen Cylinder



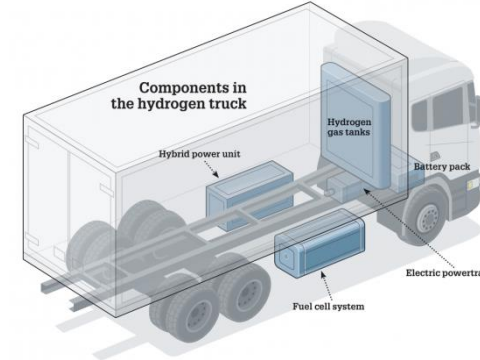
- Carbon Fibre Reinforced Composite Cylinder Type-III for Oxygen
- Feather weight (80% lighter) and portable
- Medical grade oxygen
- Application: Home Oxygen Therapy, healthcare institutions.

Composite Air Tanks



- Air Tank for commercial vehicles air brake system
- Impact resistant and light weight (75% less)
- Corrosion proof and extremely durable

Hydrogen Cylinder for Fuel Cells



- Type-IV Carbon wrapped cylinders
- Light weight (90% weight reduction) - provides better fuel economy and better payload
- Reliable and safe
- Applications – Hydrogen Cars, power generation (Towers)

Composite Water Heater



- Made with HDPE inner liner & glass fibre composite outer winding retains heat for longer time.
- Life Time Warranty
- Light weight (70% less), not prone to leakages, longer life, no denting, no scratches, corrosion free, no smelly water and less power consumption

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02

Company Updates & Strategic Outlook



What We Have Achieved

- Achieved scale, low revenue volatility (9% CAGR – 10 y)
- Leading Global Industrial packaging company ; Market leader in India (60% share)
- Amongst top 600 BSE companies (Market cap)
- Market leader in 9 out of 11 countries
- Expanding operations in world's largest market - USA

GROWTH

- Achieved revenue of ₹3,009 Cr. (USD 412 mn) and PAT of ₹103 Cr. (USD 14 mn) in FY21.
 - World's largest manufacturer of big size plastic drums
 - World's second largest composite cylinder manufacturer
 - World's third largest IBC manufacturer
- Major player in HDPE pipe manufacturing in India - Infra
- Second largest MOX film player in India

SCALE OF OPERATIONS

- Strategic partners worldwide for global chemical cos (across 11 countries)
- No single customer accounting for more than 5% of revenues.
- Over 900 customers for industrial packaging globally
- Long standing relationship of over 25 years with customers
- Operations are de-risked with plants located at 20 locations in India and 10 countries overseas

CORE BUSINESS

- Increasing popularity of IBCs due to cost effectiveness and better handling
- HDPE pipes with invested capacities, revenues to ramp-up with execution of strong order book.
- LPG Composite cylinder business
- Strong opportunities for Hi-tech based new products. (Type-IV CNG composite cylinders and more...)

FUTURE GROWTH SEGMENTS

How We **Achieved It**



1

Professional and experienced promoters, management team along with established inhouse R&D team of around 30 people

2

Thrust on **innovation**
Focus on innovation leading to introduction of new products and many more in pipeline

3

Growth funded from Internal accruals
Raised equity capital only once after listing (7.6% dilution in FY17)

4

Company is at Inflection point.
Moving from **Tech** towards **High Tech futuristic business (composites)**

What We Have Missed



Economies of scale

ROCEs have remained below our target of 20%, implying that we haven't realized full economies of scale in India and Overseas. Not tapped global opportunities fully.



Working capital days

Working capital days have increased in last few years due to weak economic growth, regulatory changes and certain Black Swan events.



Consolidation of Business

Consolidation of business and disposal of non-core business/ assets owned by company and promoters.

Key Priorities For Next Few Years



Maintain Growth Momentum Of The Past
(tapping huge potential in Hi-tech business)

1

Improve ROCE and Enhance Shareholders Value

2

Enhance Investor Interaction

3

Remove Promoters' Pledge Of Shares and Disposal of non-core business/ assets

4

Maintain Growth Momentum Of The Past

Our aim is to become a Rs. 5000+ Cr. company by Fiscal 25

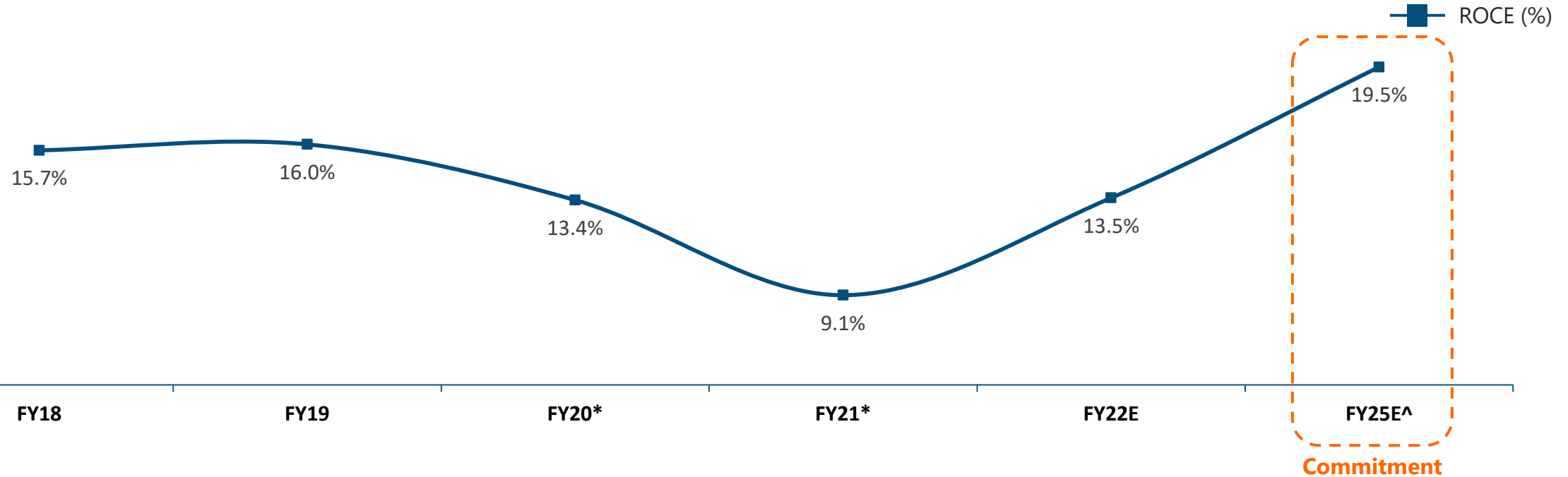
- **Core Business- Industrial Packaging**

- Huge growth opportunities for global industrial packaging market

Projected to grow from USD 58.8 Bn in 2020 to USD 72.6 Bn by 2025 (4.3% CAGR)

- Chemicals, Pharmaceuticals , Food & Beverages etc. expected to grow significantly.
 - Shift of chemical manufacturing base from [China](#) to **India and other Asian countries**, significant growth opportunity.
 - Intermediate Bulk Containers (IBC's) gaining popularity due to cost effectiveness, easier handling and emphasis on sustainability.
 - Faster replacement from metal to polymer and composite products due to substantial increase in steel prices.
- Huge potential market of around Rs. 2,200 Cr. per year for CNG cascades and CNG onboard applications aided by government thrust (Lower import bill and commitment for climate change).
 - Government focused spend on Infra projects and development of smart cities (HDPE pipe business to contribute going forward).

Improve ROCE and Enhance Shareholders Value



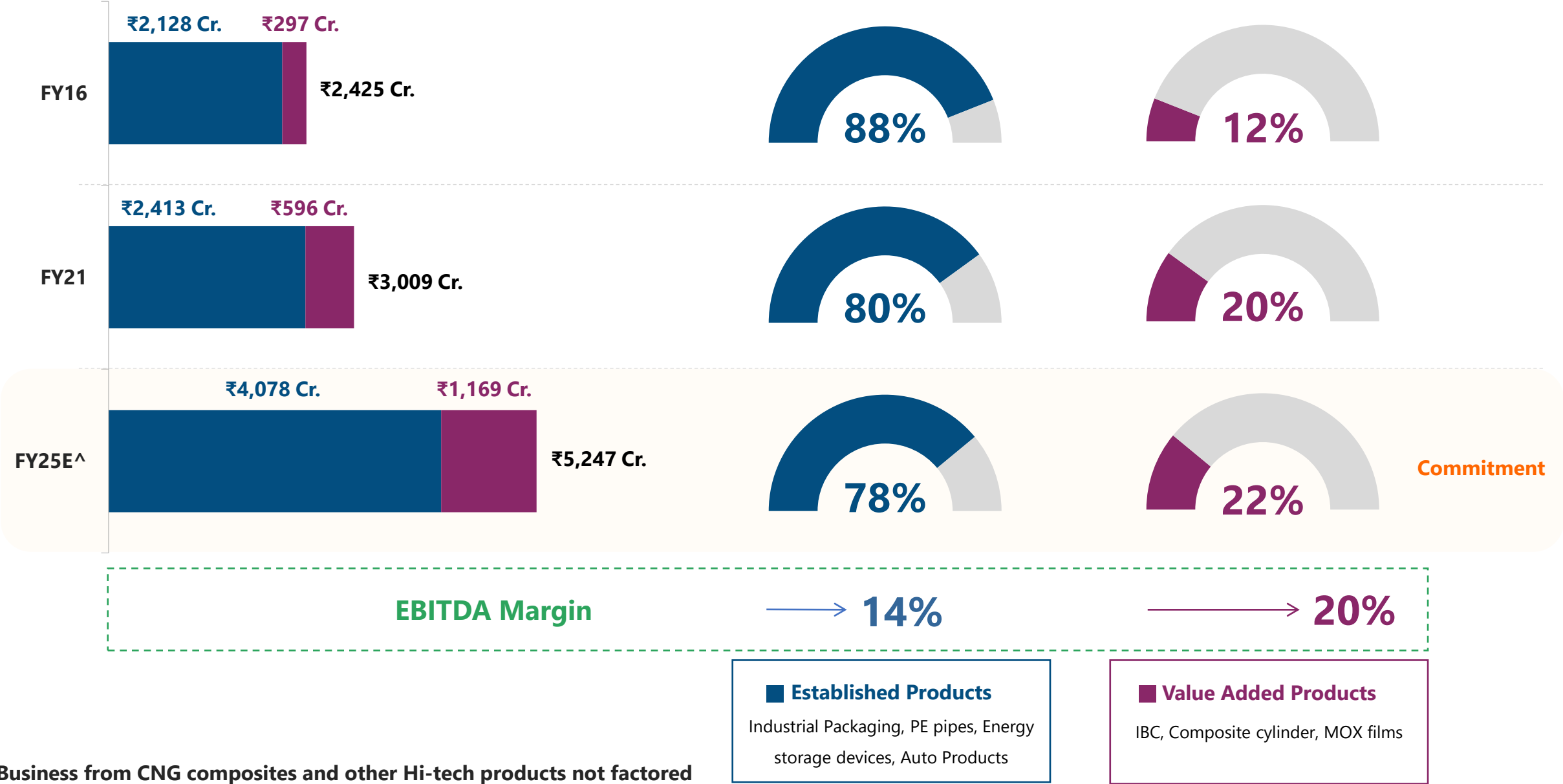
*Operations were impacted due to Covid-19

^Business from CNG composites and other Hi-tech products not factored

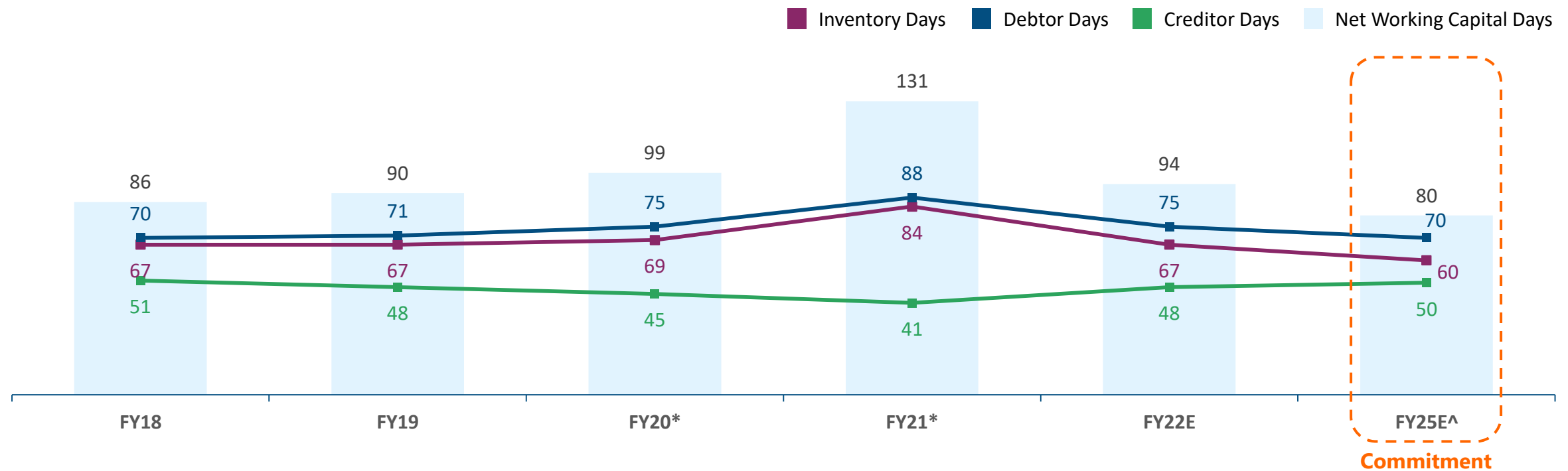
- **Target to improve the current ROCE of 13.4% in FY20 to ~20% over the next 4 years by:**

- Increasing the share of high margin Value Added Products
- Reduce Working Capital Cycle
- Dispose off non-core business/ assets

Improve share of Value Added Products



Reduce Working Capital Intensity



*Operations were impacted due to Covid-19

^Business from CNG composites and other Hi-tech products not factored

- Work on all three fronts of reducing debtors and inventory while negotiating longer payment terms with creditor. Monitor improvement in trends every six months
 - Debtors: Use bill discounting, negotiate lower payment terms. Also low credit period offered in value added products.
 - Inventory: Increase domestic sourcing, reduce inventory requirement with price risk to pass on to customers
 - Creditors: Negotiate longer payment terms

Dispose of **Non Core Business/ Assets**

- **Focusing on core business and dispose of non-core business/ assets**

- Management has decided to exit from non-core business of Medical equipments, furniture business and Battery division
- Accordingly 'Assets held for sale' of Rs. 60 Cr., other than Battery division.

Classified in Balance sheet for FY21 that includes

- Unused land and building
- Molds and tools related to medical business
- Molds and tools related to furniture division

Capital Allocation Roadmap: Time To Reward Shareholders

Fund Flow (₹ Cr.)	FY22-25E
Profit after tax	1,235
Increase in net debt	-
Source of funds	1,235
Increase in net fixed assets	105
Increase in net current assets	230
Repayment of debt	195
Application of funds	530
Surplus for dividend payment / Share buy-back/ Development of new products/ Reduction of debt	705

- Internal cash generation remains strong, strengthened with low leverage
- Atmanirbhar (self-sufficient):** No need for external sources of funds
- Target net debt to equity:** To maintain in the range of 0.1-0.4x, assuming net debt is maintained at current levels in absolute number, leverage would come below 0.3x
- Capex:** Average gross capex of ₹175 Cr./ year less depreciation of ₹150 Cr. results in increase of ~₹100 Cr. of non-current assets over 4 years.
- Large capacity to increase dividend payouts or buy-back shares as plans for reduction in working capital take shape
- Projected surplus cash of ~₹700 Cr.**

Other Key Priorities

Remove promoters' pledge of shares

- Reduction in shares pledged
 - It has reduced from 17.8% of Paid-Up Capital to only 4.2%.
- Aim to make the promoter holding pledge free at the earliest possible time

Enhance investor interaction

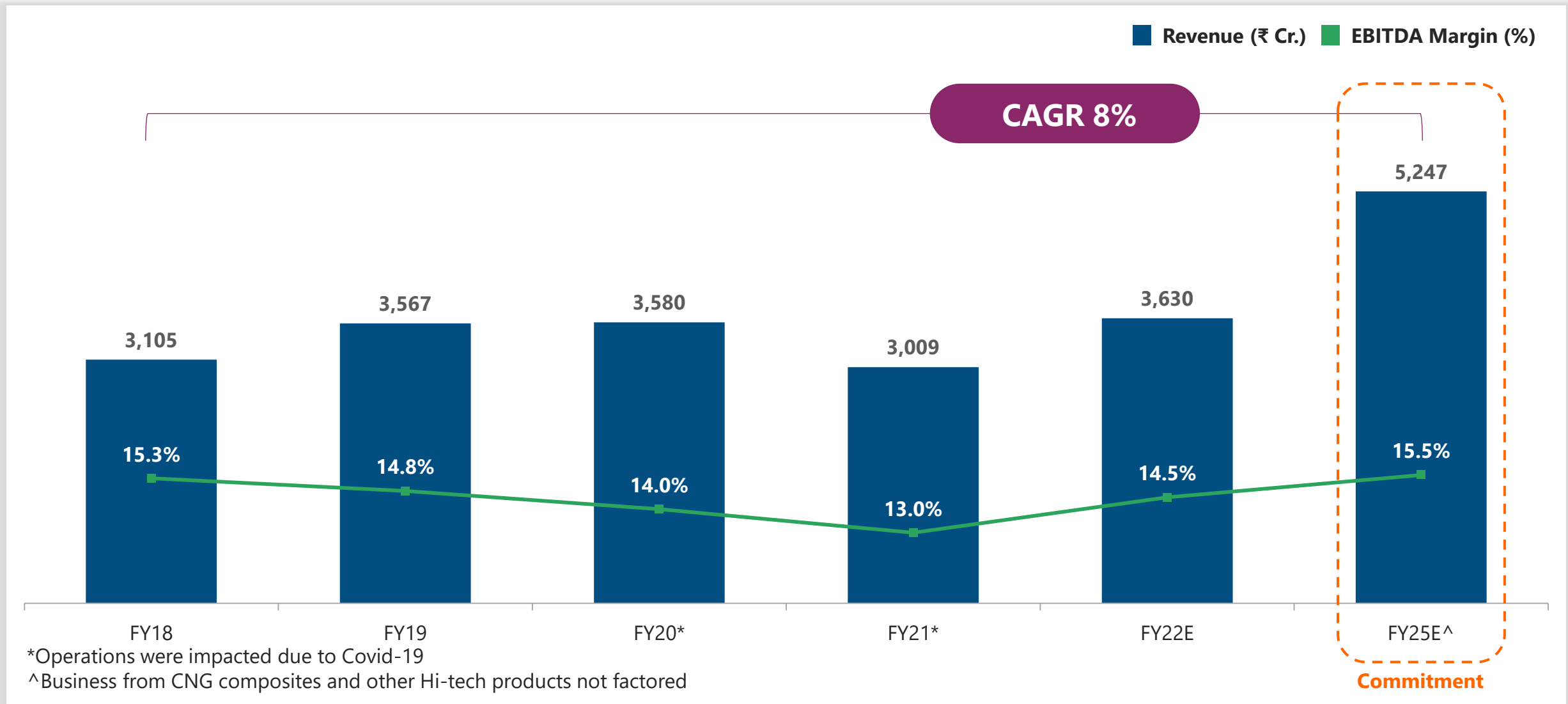
- Appointed an Investor Relation Agency and a dedicated in-house Investor relation team
 - To increase visibility through attending international and domestic conferences
 - To Organize annual investor and analyst meet regularly
 - To facilitate plant visits

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03

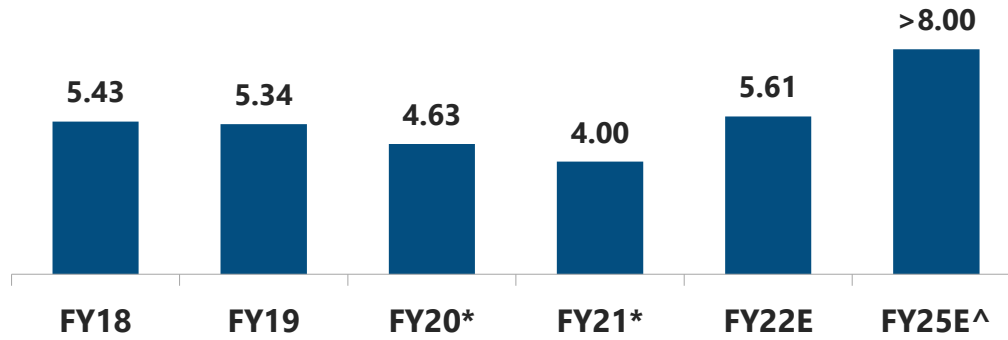
Financial Overview

Strong Revenue Growth and Stable EBITDA Margin

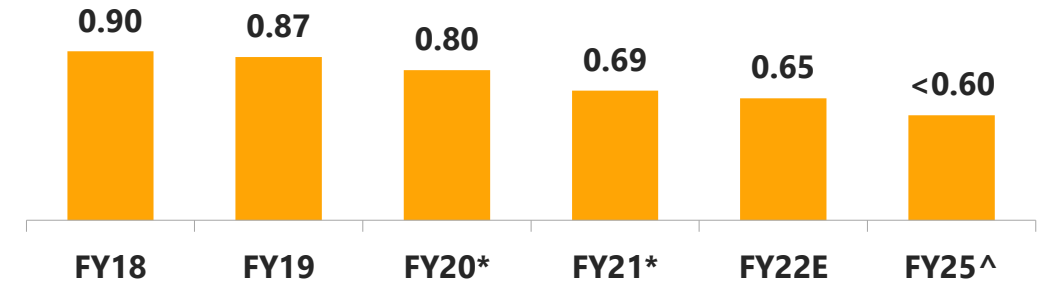


Continued Strong Financial Risk Profile

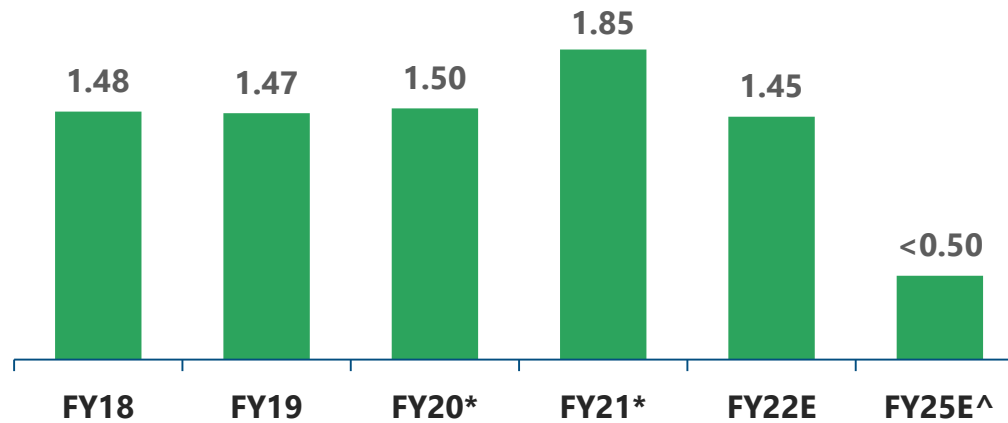
Interest Coverage Ratio (Times)



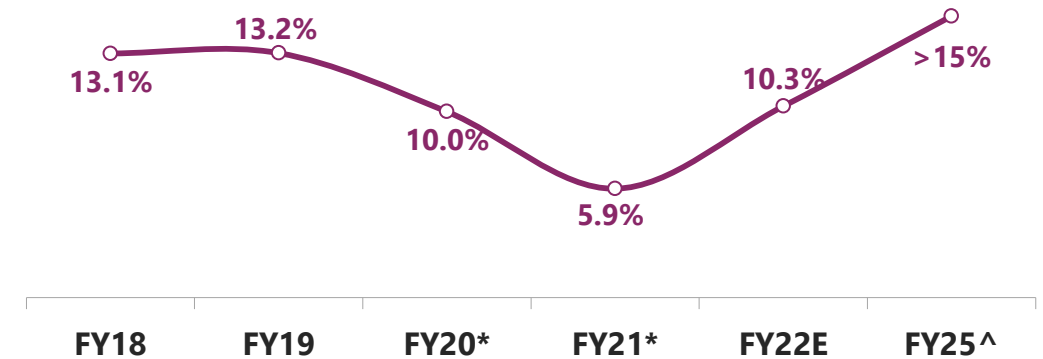
Total Outside Liabilities / Total Equity (Times)



Net Debt to EBITDA (Times)



Return on Equity (%)



Note: FY20 and FY21 results are not comparable to the previous years due to the Covid-19 impact

^Business from CNG composites and other Hi-tech products not factored

Way Forward

Chemical production shifting from China to other Asian countries



IBCs growing faster

Time is the largest and major player in most countries it operates in



Recycling efforts to encourage sustainability



Polymer and Composite products to gain share from metals





Thank You

Questions & Answers

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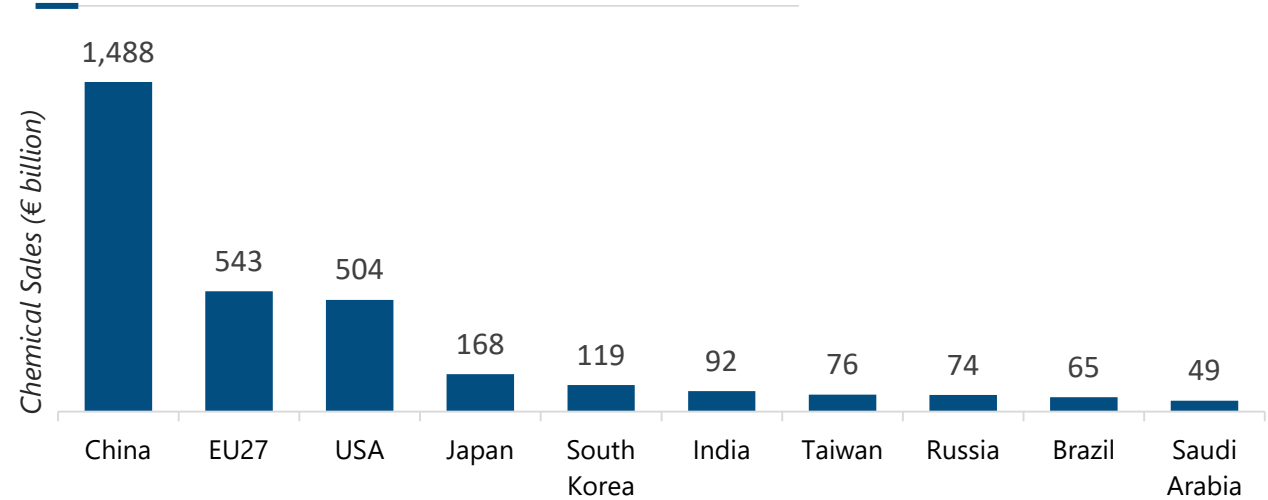
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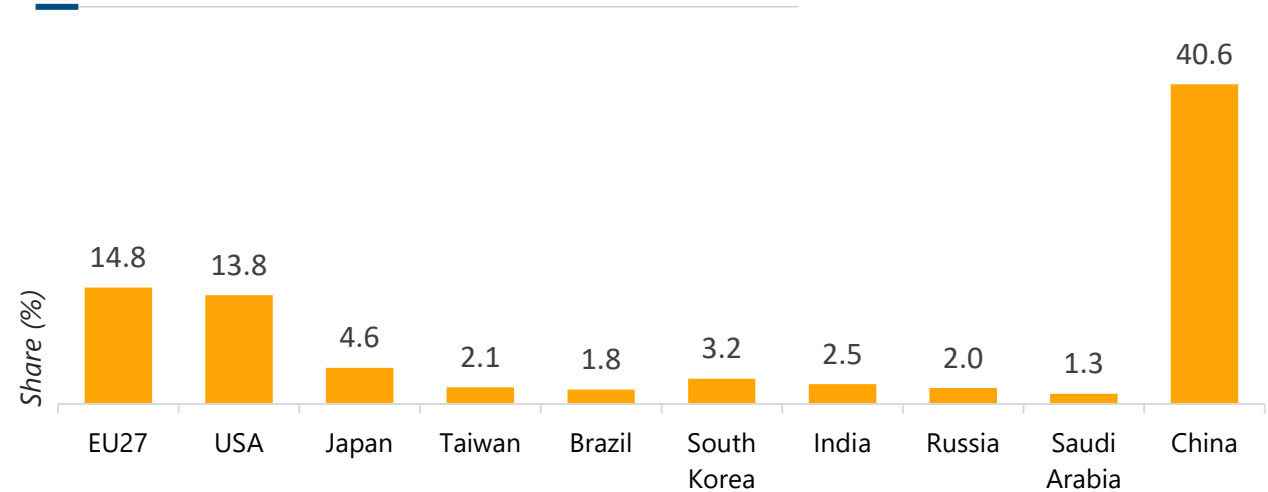
Global Chemical Industry

2019 Chemical Sales By Country: Top 10



For the year 2019, World chemical sales (excluding pharmaceuticals) stood at €3,669 Bn registering a growth of 4.1% from €3,525 Bn in 2018.

2019 Chemical Share (%) By Country: Top 10



China dominates the world chemical market while India holds its position as 6th largest.

Source: Cefic Chemdata International 2020